

**THE CANADIAN MEDICAL HALL OF FAME  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**



**THE CANADIAN MEDICAL HALL OF FAME  
INDEX TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of The Canadian Medical Hall of Fame

### *Opinion*

We have audited the financial statements of The Canadian Medical Hall of Fame (the Organization), which comprise the statement of financial position as at December 31, 2021, and the statements of changes in funds, revenues and expenditures - Unrestricted Fund, revenues and expenditures - Scholarship Fund, revenues and expenditures - CMHF Award for Medical Students Fund, revenues and expenditures - Building Fund, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

(continues)

Independent Auditor's Report to the Directors of The Canadian Medical Hall of Fame (continued)

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

London, Ontario

VALENTE CPAS LLP  
Chartered Professional Accountants  
Licensed Public Accountants



**THE CANADIAN MEDICAL HALL OF FAME  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2021**

	Unrestricted Fund	Scholarship Fund	CMHF Award for Medical Students Fund	Building Fund	Strategic Initiative Fund (Note 4)	Total 2021	Total 2020
<b>ASSETS</b>							
<b>CURRENT</b>							
Cash	\$ 655,844	\$ -	\$ 19,422	\$ -	\$ 5	\$ 675,271	\$ 646,259
Investments (Note 3)	140,548	-	-	-	-	140,548	92,474
Accounts receivable	14,000	-	-	-	-	14,000	72,683
GST and HST recoverable	11,670	-	-	-	-	11,670	14,064
Prepaid expenses	20,324	-	-	-	-	20,324	14,859
Due from Unrestricted Fund	-	-	7,500	49,838	175,000	232,338	23,775
	842,386	-	26,922	49,838	175,005	1,094,151	864,114
PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 7)	11,109	-	-	-	-	11,109	8,768
	\$ 853,495	\$ -	\$ 26,922	\$ 49,838	\$ 175,005	\$ 1,105,260	\$ 872,882
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT</b>							
Accounts payable and accrued liabilities	\$ 73,413	\$ -	\$ -	\$ -	\$ -	\$ 73,413	\$ 72,043
Employee deductions payable	11,643	-	-	-	-	11,643	9,453
Due to Building Fund	49,838	-	-	-	-	49,838	23,775
Due to Strategic Initiative Fund	175,000	-	-	-	-	175,000	-
Due to CMHF Award for Medical Students Fund	7,500	-	-	-	-	7,500	-
	317,394	-	-	-	-	317,394	105,271
DEFERRED REVENUE (Note 8)	69,500	-	-	-	-	69,500	230,681
LONG TERM DEBT (Note 9)	40,000	-	-	-	-	40,000	40,000
	426,894	-	-	-	-	426,894	375,952
<b>FUNDS</b>	426,601	-	26,922	49,838	175,005	678,366	496,930
	\$ 853,495	\$ -	\$ 26,922	\$ 49,838	\$ 175,005	\$ 1,105,260	\$ 872,882



Director

See notes to financial statements



**THE CANADIAN MEDICAL HALL OF FAME  
STATEMENT OF CHANGES IN FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	Unrestricted Fund	Scholarship Fund	CMHF Award for Medical Students Fund	Building Fund	Strategic Initiative Fund (Note 4)	Total 2021	Total 2020
<b>BALANCE - BEGINNING OF YEAR</b>	\$ 450,815	\$ 22,340	\$ -	\$ 23,775	\$ -	\$ 496,930	\$ 426,531
Interfund transfer	(225,000)	(19,427)	19,422	50,000	175,005	-	-
Excess (deficiency) of revenues over expenditures	200,786	(2,913)	7,500	(23,937)	-	181,436	70,399
<b>BALANCE - END OF YEAR</b>	\$ 426,601	\$ -	\$ 26,922	\$ 49,838	\$ 175,005	\$ 678,366	\$ 496,930

**THE CANADIAN MEDICAL HALL OF FAME  
STATEMENT OF REVENUE AND EXPENDITURES - UNRESTRICTED FUND  
YEAR ENDED DECEMBER 31, 2021**

	2021	2020
<b>REVENUES</b>		
Induction ceremony	\$ 281,140	\$ 119,000
Partnerships and Grants	214,150	181,650
Discovery Days	187,510	149,575
Investment income	21,776	7,286
CMHF Award for Medical Students	16,000	14,000
Miscellaneous donations	15,391	29,535
Museum School	1,125	2,000
One-time government funding (Note 10)	148,617	200,792
	<b>885,709</b>	<b>703,838</b>
<b>EXPENDITURES</b>		
Salaries	419,232	399,603
Marketing and promotion	62,448	22,975
Office	60,064	29,195
Hall expenses	53,461	37,604
Induction ceremony	45,721	81,265
Discovery Days	13,467	7,668
Professional fees	11,953	6,756
Amortization	4,974	5,894
Fundraising	3,889	2,081
Insurance	3,042	2,754
Museum School expenses	2,539	66
CMHF Award for Medical Students expenses	2,260	15,500
Board expenses	1,873	525
	<b>684,923</b>	<b>611,886</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 200,786</b>	<b>\$ 91,952</b>

**THE CANADIAN MEDICAL HALL OF FAME  
STATEMENT OF REVENUE AND EXPENDITURES - SCHOLARSHIP FUND  
YEAR ENDED DECEMBER 31, 2021**

	2021	2020
<b>REVENUES</b>		
Investment income	\$ 87	\$ 384
<b>EXPENDITURES</b>		
Scholarship payments	3,000	7,000
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>\$ (2,913)</b>	<b>\$ (6,616)</b>



**THE CANADIAN MEDICAL HALL OF FAME  
STATEMENT OF REVENUE AND EXPENDITURES - CMHF AWARD FOR MEDICAL  
STUDENTS FUND  
YEAR ENDED DECEMBER 31, 2021**

	2021	2020
<b>REVENUES</b>		
Donations	\$ 90,000	\$ 80,000
<b>EXPENDITURES</b>		
Awards paid	82,500	75,000
Bad debt	-	10,000
	<b>82,500</b>	<b>85,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 7,500</b>	<b>\$ (5,000)</b>

**THE CANADIAN MEDICAL HALL OF FAME  
STATEMENT OF REVENUE AND EXPENDITURES - BUILDING FUND  
YEAR ENDED DECEMBER 31, 2021**

	2021	2020
<b>REVENUES</b>		
Donations	\$ 15,000	\$ -
<b>EXPENDITURES</b>		
Repairs and maintenance	38,937	9,937
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>\$ (23,937)</b>	<b>\$ (9,937)</b>

**THE CANADIAN MEDICAL HALL OF FAME  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2021**

	Unrestricted Fund	Scholarship Fund	CMHF Award for Medical Students Fund	Building Fund	Strategic Initiative Fund (Note 4)	Total 2021	Total 2020
<b>OPERATING ACTIVITIES</b>							
Excess (deficiency) of revenues over expenditures	\$ 200,786	\$ (2,913)	\$ 7,500	\$ (23,937)	\$ -	\$ 181,436	\$ 70,399
Item not affecting cash:							
Amortization of property, plant and equipment	4,974	-	-	-	-	4,974	5,894
	205,760	(2,913)	7,500	(23,937)	-	186,410	76,293
Changes in non-cash working capital:							
Accounts receivable	58,683	-	-	-	-	58,683	34,011
Accounts payable and accrued liabilities	1,370	-	-	-	-	1,370	29,995
GST and HST recoverable	2,394	-	-	-	-	2,394	(2,946)
Prepaid expenses	(5,465)	-	-	-	-	(5,465)	15,759
Due from CMHF Award for Medical Students Fund	-	-	-	-	-	-	5,418
Due to (from) Building Fund	26,063	-	-	-	-	26,063	(9,937)
Due to (from) Unrestricted Fund	-	-	(7,500)	(26,063)	(175,000)	(208,563)	4,519
Due to (from) Strategic Initiative Fund	175,000	-	-	-	-	175,000	-
Due to (from) CMHF Award for Medical Students Fund	7,500	-	-	-	-	7,500	-
Deferred revenue	(161,181)	-	-	-	-	(161,181)	135,531
Employee deductions payable	2,190	-	-	-	-	2,190	804
	106,554	-	(7,500)	(26,063)	(175,000)	(102,009)	213,154
Cash flow from (used by) operating activities	312,314	(2,913)	-	(50,000)	(175,000)	84,401	289,447
<b>INVESTING ACTIVITIES</b>							
Purchase of property, plant and equipment	(7,315)	-	-	-	-	(7,315)	(6,719)
Investments	(70,414)	22,339	-	-	-	(48,075)	11,594
CEBA loan received	-	-	-	-	-	-	40,000
Cash flow from (used by) investing activities	(77,729)	22,339	-	-	-	(55,390)	44,875
<b>OTHER CASH FLOW ITEMS</b>							

(continues)

THE CANADIAN MEDICAL HALL OF FAME

STATEMENT OF CASH FLOWS (continued)

YEAR ENDED DECEMBER 31, 2021

	Unrestricted Fund	Scholarship Fund	CMHF Award for Medical Students Fund	Building Fund	Strategic Initiative Fund (Note 4)	Total 2021	Total 2020
Interfund transfers	(225,000)	(19,427)	19,422	50,000	175,005	-	-
<b>INCREASE IN CASH FLOW</b>	9,585	-	19,422	-	5	<b>29,012</b>	334,322
Cash - beginning of year	646,259	-	-	-	-	<b>646,259</b>	311,937
<b>CASH - END OF YEAR</b>	<b>\$ 655,844</b>	<b>\$ -</b>	<b>\$ 19,422</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>\$ 675,271</b>	<b>\$ 646,259</b>

See notes to financial statements



**1. PURPOSE OF THE ORGANIZATION**

The organization was incorporated without share capital on January 18, 1994. The organization is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

It is a non-profit organization whose purpose is to create an enduring tribute to Canada's medical heroes who, through discovery and innovation, have contributed to improved health in Canada and around the world. Through the celebration of its laureates and the delivery of education programs, the organization inspires the pursuit of careers in health sciences fostering future innovators and leaders. The induction of the laureates into The Canadian Medical Hall of Fame is celebrated at a dinner event every 12 months.

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**2. SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Financial instruments

Financial instruments include cash, investments, accounts receivable, GST and HST recoverable, accounts payable and accrued liabilities, and long-term debt.

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity and debt instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the excess (deficiency) of revenues over expenditures.

Cash and cash equivalents

Cash includes cash balances held at financial institutions.

Investments and investment income

Investments consist of marketable securities, pooled investment funds and fixed income securities, all of which are recorded and carried at market value.

Pooled investment funds are valued based on reported unit values for each fund and marketable securities. Fixed income securities that are publicly traded are valued based on the latest bid price for these instruments.

Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Investment income, which consists of dividends, interest income, distributions from pooled funds and realized and unrealized gains/losses on cash, short-term investments and securities, is recorded as revenue in the statements of revenues and expenditures for each of the funds.

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates:

Computer equipment	50%
Furniture and fixtures	20%

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Unrestricted Fund

In order to sustain operations, the organization maintains approximately 6 months' minimum of the following year's operating expenses in reserve.

Revenue recognition

The organization follows the restricted fund method of accounting for contributions for the Scholarship, CMHF Award for Medical Students, and Building Funds. The Scholarship Fund is required to be used for the payment of scholarships to high school students entering university wishing to pursue a career in medicine or health sciences. The CMHF Award for Medical Students Fund is required to be used for the payment of cash awards to students in medical school. The Building Fund is required to be used to pay for the expenses associated with the construction of the new space at 100 Kellogg Lane.

Unrestricted contributions from donations, grants, partnerships, and corporate sponsorships are recognized as they are received or receivable. Revenue from dinner ticket sales, Discovery Days, and the Induction ceremony are recognized once the event has taken place. Amounts received in advance for these events are recorded as deferred revenue and recognized into revenue during the appropriate period. Revenue from CMHF Award donations and CMHF Award for medical students is recognized as revenue when the awards are paid out to the students. Revenue from one-time COVID-19 pandemic subsidies are recognized on the accrual basis.

Expenditures

The organization records all expenses on an accrual basis.

Contributed services

Volunteers contribute a significant amount of time each year to assist the organization in carrying out its fundraising activities. The fair value of contributed services cannot be reasonably determined and, are therefore, not reflected in these financial statements.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

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**THE CANADIAN MEDICAL HALL OF FAME  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**3. MARKETABLE SECURITIES**

	2021	2020
Fixed income securities ( <i>cost: 2021 - \$NIL; 2020 - \$22,249</i> )	\$ -	\$ 22,340
<u>Pooled investment funds</u>		
Canadian equity ( <i>cost: 2021 - \$38,260; 2020 - \$21,184</i> )	<b>45,896</b>	21,786
Foreign equity ( <i>cost: 2021 - \$53,898; 2020 - \$19,657</i> )	<b>94,652</b>	48,348
	<b>\$ 140,548</b>	\$ 92,474

**4. STRATEGIC INITIATIVE FUND**

The Board has further internally restricted funds in a Strategic Initiative Fund for Board-approved activities related to increasing the national profile of the CMHF with new stakeholders (which can include Induction Ceremonies in small markets) or to invest in new or expanded activities designed to inspire excellence in the health sciences, health and healthcare for future generations.

**5. LONDON COMMUNITY FOUNDATION**

The organization entered into an agreement with the London Community Foundation (LCF) in 1997 to support the J. Allyn Taylor/Canadian Medical Hall of Fame Endowment Fund (the "Fund"). The organization can access only the earnings on the investment of this Fund. Investment income earned in the Fund, net of an administrative fee, is capitalized into the Fund at the discretion of the Board of Directors of the London Community Foundation. The balance of the Fund at December 31, 2021 is \$271,876 (2020 - \$251,589). During the year, the organization received income from the Fund in the amount of \$8,400 (2020 - \$7,500) which is included in unrestricted investment income on the statement of revenue and expenditures.

**6. RISK MANAGEMENT**

The organization is subject to market risk, foreign currency risk and interest rate risk with respect to its investment portfolio. To manage these risks, the organization has an investment policy setting out a target mix of investments designed to provide optimal return within reasonable risk tolerances.

The organization is subject to credit risk to the extent of accounts receivable. Management is confident in the collectability of accounts receivable and, accordingly, considers such risk to be minimal.

The organization is exposed to liquidity risk mainly in respect of its receipt of funds from its funders and other related sources, long-term debt, and accounts payable.

**7. PROPERTY, PLANT AND EQUIPMENT**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 15,835	\$ 12,635	\$ 3,200	\$ 7,112
Furniture and fixtures	9,155	1,247	<b>7,908</b>	1,656
	<b>\$ 24,990</b>	<b>\$ 13,882</b>	<b>\$ 11,108</b>	<b>\$ 8,768</b>

Amortization expense for the year amounted to \$4,974 (\$5,894 in 2020).



**THE CANADIAN MEDICAL HALL OF FAME  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**8. DEFERRED REVENUE**

	2021	2020
Induction ceremony	\$ 21,000	\$ 190,181
CMHF Award travel sponsorship	46,000	23,000
Discovery Days	2,500	17,500
	<b>\$ 69,500</b>	<b>\$ 230,681</b>

During the year, the organization received funding that was subject to spending restrictions. Since the organization was unable to expend the funds prior to the end of the fiscal year, any remaining funding balances have been recorded as deferred revenue which is consistent with the organization's revenue recognition policies.

**9. LONG TERM DEBT**

	2021	2020
Canada Emergency Business Account interest-free loan, repayable on or before December 31, 2023.	\$ 40,000	\$ 40,000
Amounts payable within one year	-	-
	<b>\$ 40,000</b>	<b>\$ 40,000</b>

Per the terms of the loan, \$10,000 of the loan is forgivable if repaid in full by December 31, 2023. This forgivable amount will be recognized into income in the year that the loan is repaid.

Principal repayment terms are approximately:

2023	<u>\$ 40,000</u>
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**10. ONE-TIME GOVERNMENT FUNDING**

The CMHF applied for and received financial assistance under available government incentive programs: the Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Rent Subsidy (CERS). Total subsidies recorded in the consolidated statement of operations amounts to \$148,617 (2020 - \$200,792). Management believes that it is in compliance with all eligibility requirements under the subsidy programs.

**11. COVID-19**

Management has evaluated the impact of the COVID-19 pandemic on its December 31, 2021 financial statements and for subsequent events through to the date of financial statement issuance. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. Emergency measures and economic impact could include potential future decreases in donations and income.